

DSS-W NEWSLETTER

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FROM THE COMMANDER:

Welcome to the 51st edition of the DSS-W Newsletter. The end of FY-97 is rapidly approaching, and this edition of the newsletter contains information intended to insure a smooth transition to FY-98.

We encourage the widest possible dissemination of the newsletter so that all involved/interested personnel within your organization are informed of our policies and procedures. We have learned from experience that when our customers are well-informed, their requirements flow through our system more efficiently.

DSS-W continues to be committed to providing you world-class service, and we

any suggestions of ways we can serve you better. Write to us at Defense Supply Service-Washington, 5200 Army Pentagon, Washington, DC 20310-5200.

KIMBERLEY T. SMITH
Colonel, U. S. Army
Commanding

Visits to DSS-W

At this busy time of the year, DSS-W contract specialists and contracting officers are applying their maximum efforts to processing your FY-97 requirements by year-end. To minimize unnecessary congestion in our work areas, all visitors are requested to come to our Reception Area, 1C256, where the person(s) you wish to visit will be contacted. If the Receptionist is away from the area, please seek assistance in the DSS-W Front Office, 1E230. Your patience and understanding in helping us to reduce interruptions will be greatly appreciated.

Signature Cards

!!! Attention Customers !!! In order for us to process your requirements, we **must** have a current/accurate DD Form 577 (Signature Card) on file for your

a) executive officer, b) fiscal officer and c) supply coordinator. Please ensure that your DODAAC, telephone and FAX numbers, and e-mail address are included on the reverse side of the DD Form 577. The cards should be sent to DSS-W, 5200 Army Pentagon, Attn: Bryna Pearson, Washington, DC 20310-5200. For further clarification, you may reach Ms. Pearson at (703) 695-2007.

NEW ETHICS RULES IN GOVERNMENT CONTRACTING

In 1996, Congress passed the Clinger-Cohen Act (referred to as the New Procurement Integrity Act) making substantial changes in the rules governing procurement integrity. As a result of the statute, changes were also made to FAR, Part 3, in those areas concerning procurement integrity. Following is a summarized description of the major changes contained in the Act. Please note that the Act encompasses only ethical rules concerning procurement integrity. There are many other statutes and rules contained in the Joint Ethics Regulation and other post-employment statutes that remain unchanged. What follows are the changes made by the new Procurement Integrity Act.

A. Effective Date

The new statute became effective on 1 January 1997.

B. Eliminated Provisions

The new statute eliminated the old statutory requirement for government and contractor personnel to file Certificates of Procurement Integrity. Likewise, the

statute repealed the mandatory procurement integrity training requirements and the certificates of training. Needless to say, these were welcomed changes.

C. New Provisions

The major new provisions in the new statute concern Restrictions on Disclosure and Obtaining Contractor Information, Reporting Employment Contacts, and Post-Government Employment:

1. *Restrictions on Disclosure and Obtaining Contractor Information.* As government employees in the contract arena, we deal with information supplied to the government from private contractors on a daily basis. Because it is part of our routine, we can forget that the information we handle is often very sensitive in the commercial world. Likewise, we can frequently forget the importance to the government of maintaining confidentiality in the contracting process. The new statute reminds us of the importance of safe-guarding information we obtain in our official capacity

a. *Disclosure of Information.* According to the statute no US official (both present and former), who, by virtue of his/her office has access to contractor bid or proposal information or source selection information, may knowingly disclose such information.

b. *Obtaining Information.* In addition to restricting the release of contractor information, the statute also prohibits unlawful obtaining of such information. According to the statute, no person (other than as provided by law) may obtain contractor bid or proposal

information or source selection information.

What exactly is contractor bid or proposal information? Any of the following constitutes such information: cost or price data; indirect costs or labor rates; proprietary information marked in accordance with applicable law or regulation; information marked by the contractor as such in accordance with applicable law or regulation.

What is source selection information? Any of the following: bid prices before bid opening; proposed costs of prices in negotiated procurement; source selection plans; technical evaluation plans; technical evaluation of proposals; cost or price evaluation of proposals; competitive range determinations; ranking of bids, proposals or competitors, reports and evaluation of source selection panels boards or advisory councils; other information marked as source selection information if release would jeopardize the integrity of the competition.

General Rule: If you would not have received the information but for your official duties, you should use the information only for official purposes on behalf of the government.

2. Reporting Non-Federal Employment Contacts. An employee who works in government contracts for any length of time is bound to gain experience that is quite valuable to the private business world. Government employees are quite frequently well qualified for employment with contractors. However, an offer of employment from an entity doing business with the government can cause a conflict of interest detrimental to

the government. For this reason such offers must be reported and employees cannot continue to work while the offers are still open. The new statute has the following rules:

a. *Mandatory Reporting Requirement.* An agency official who is participating personally and substantially in an acquisition over the simplified acquisition threshold must report employment contacts with bidders or offerors. The report must be in writing, to a supervisor, or agency ethics official.

b. *Reject or Disqualify.* The agency official must promptly reject the employment or disqualify him/herself from the procurement, until authorized to resume participation in accordance with 18 U.S.C. section 208. This authorization will come from an ethics official.

General Rule: If you are contacted for employment by a competing contractor tell your supervisor and call the Ethics Advisor.

3. Post-Government Employment Restrictions of the New Procurement Integrity Act. The final area of change in the new statute concerns post-government employment. The most significant change in this area concerns a reduction in the amount of time government employees are restricted from working for contractors. The old rules prevented employment for two years. The new rule reduces the restriction to only a year. In addition the new rules prohibit employment for contractors having contracts in excess of \$10 million, a substantial increase from the old rule. The following are the new rules:

a. A one year ban prohibits working for a contract awardee;

b. Prohibition applies to former government officials who:

(1) Served (at the time of contractor selection or award) as procuring contracting officer, source selection authority, member of source selection evaluation board, or chief of financial or technical evaluation team in a procurement in excess of \$10 million, or

(2) Served as program manager, deputy program manager, or administrative contracting officer for a contract in excess of \$10 million, or

(3) Personally made the decision to award a contract, subcontract, modification, or task order or delivery order in excess of \$10 million, or

(4) Personally made the decision to establish overhead or other rates valued in excess of \$10 million, or

(5) Personally made the decision to approve issuance of a payment or payments in excess of \$10 million, or

(6) Personally made the decision to pay or settle a claim in excess of \$10 million.

c. The above rules do not apply to employment with any division or affiliate of a contractor which does not produce the same or similar product or services.

4. Penalties and Sanctions.

a. Criminal penalties. Violation of a prohibition on disclosing or obtaining procurement information, if done in exchange for a thing of value or if done to give a competitive advantage, authorizes five years confinement and a fine.

b. Civil penalties. Civil action may be taken by the Attorney General for wrongfully disclosing or obtaining procurement information, failing to report employment contacts, or accepting prohibited employment. Penalty is up to \$50,000 for individuals and \$500,000 for organizations, plus twice the amount of compensation received or offered.

D. Conclusion

The new statute has considerably simplified many of the former complicated and redundant ethics rules in procurement integrity. Nonetheless, issues in this area can often remain confusing. For DSS-W personnel, questions on any ethics related matter should be referred to Major Robert J. Cotell, Ethics Advisor, at 647-5423. Those outside of DSS-W should direct questions to their activity's legal counsel.

PERFORMANCE-BASED SERVICE CONTRACTING

A Smarter Way To Contract!

Like many acquisition reform initiatives, performance-based service contracting (PBSC) has been around for years. As far back as October 1980, long before FARA and Clinger-Cohen, the Office of Federal Procurement Policy issued *A Guide For Writing And Administering Performance Statements of Work for Service Contracts*. However, for the most part, PBSC was relegated to lower level services, i.e. janitorial services, grounds maintenance services, food services, etc. Now in this era of tight budgets, PBSC is receiving renewed attention. We are being encouraged by OFPP, DoD, and the Army

to apply PBSC to more complex level services.

Why PBSC? Because it decreases cost to the Government, reduces time to get the requirement on the street, and encourages innovation! The focus in PBSC is on desired outcome, not method. By emphasizing results, the Government allows the contractor community to do what it does best, develop innovative solutions. Innovation leads to better processes and decreased costs.

By writing performance specifications in lieu of a design specifications, the Government is able to maintain proper focus on its objectives, and avoids becoming bogged down in areas where it has little or no resident expertise. This lack of resident expertise is becoming more and more critical as the Government draw-down continues. Furthermore, developing the methodology for accomplishing a task, i.e. writing a design specification is time-consuming and inevitably delays getting the requirement out for bid.

So -- **What is PBSC?** Well, first of all, it is not a "contract type". It is a method of contracting. PBSC methods can be used with most contract types, however fixed price contracts are encouraged. **Why?** Because the fixed price contract provides maximum incentives for the contractor to control costs and perform effectively in meeting the Government's performance objectives. PBSC is not an exact science; however, characteristics commonly associated with PBSC include:

- A Statement of Work that expresses basic top level objectives;
- Measurable performance standards;

- A Surveillance Plan to facilitate assessment of the contractor's performance; and
- Appropriate incentives.

Requirements must be stated in terms that encourage the use of commercial items. Unique, overstated, or unnecessary requirements must be challenged. It is the Government's responsibility to determine what level of performance must be met. It is the contractor's responsibility to develop processes that ensure proper levels of performance are met. This shifts the quality control function from the Government to the contractor and saves money.

Finally, to the maximum extent practicable, contracts should include incentive provisions ensuring that contractors are rewarded for good performance and discouraged from unsatisfactory performance.

A good resource for more information on this subject is OFPP's *A Guide to Best Practices for Performance Based Service Contracting*, April 1996. Also, the staff at DSS-W's Policy & Compliance Office will be more than happy to address your questions concerning performance-based service contracting. Contact A. Steve Block at commercial (703) 693-1346, DSN 223-1346, E-mail: blockas@hqda.army.mil.

Purchase Card News

On **7 July 1997**, significant changes to the current Government-wide Commercial Purchase Card Program became effective. Current I.M.P.A.C. account information will be migrated from the Rocky Mountain BankCard System

(RMBCS) software platform to the Commercial Payment System (CPS) software platform main-tained by RMBCS' parent organization, First Bank System. As a result of the conversion, cardholders will receive new cards and account numbers.

Reminder: Please ensure that your account address and telephone number are accurate.

!!! Please Note !!!
No new account set-ups will be processed until Aug 4, 1997, due to the accounts conversion taking place between Jul 1-28. Changes to existing accounts will be processed until Jul 21.

Mandatory Training for Current Cardholders

DSS-W will conduct a "make-up" purchase card training session for current cardholders and approving officials who did not attend the mandatory training on changes in the purchase card program held in June/July.

The make-up training will be held on **Wednesday 13 August**, at the Fort Myer Training Support Center. For more details, contact LaWanda Lipscomb at (703) 693-5012.

Mandatory Training for Prospective Cardholders

All prospective I.M.P.A.C. cardholders and Approving/Certifying Officers must successfully complete the purchase card and procurement ethics training

conducted by DSS-W and Chief Attorney staff. For further clarification, contact LaWanda Lipscomb at (703) 693-5012.

Purchase Card Statistics

FY-93	Purchases	900	
	Dollars	\$1,000,000.00	
	Average Buy	\$1,111.11	
FY-94	Purchases	6,546	
	Dollars	\$3,693,060.00	
	Average Buy	\$564.17	
FY-95	Purchases	22,889	
	Dollars	\$11,533,637.00	
	Average Buy	\$503.89	
FY-96	Purchases	37,218	
	Dollars	\$24,085,882.46	
	Average Buy	\$647.16	
FY-97	Purchases	34,091	
	Dollars	\$23,426,346.49	
	Average Buy	\$687.17	
(a)	Cards issued as of 4/31/97	1,796	
	* Held by DSS-W	894	
	* Held by customers	902	
(b)	New cards issued	28	
	* DSS-W	12	
	* Customers	16	
(c)	Cancelled cards/change in personnel	- 28	
	* DSS-W	6	
	* Customers	22	
	Current Cardholders	1,796	

ASSSC SYSTEM

On 2 April 1997, DSS-W's Automated Self Service Supply Center (ASSSC) system experienced a major system malfunction at the Pentagon, 1E700 location. As a result, the daily close-out process, ASSSC inventory, and customer financial files for the period April 2-4, had to be restored. All transactions posted on April 2-4 (Julian dates 7092-7094), consisting of deposits, withdrawals, sales and returns, were re-posted to the ASSSC system for April 7-8 (Julian dates 7097-7098).

Customers are urged to examine and reconcile their April 1997 Monthly Customer Statement of Accounts and notify DSS-W of any discrepancies. The POC is Renee' Willis, Pentagon, Room 1E700, (703) 695-4343.

SSSC Toner & Paper Center

The SSSC Toner & Paper Center, Pentagon 3A3&4 is open for business. Store hours are M-F, 0830-1600 hours; closed for lunch 1230-1300 hours. Listed below are the toner products that are available. Your copier paper needs can also be filled at this center.

<u>Stock Number</u>	<u>Description</u>
3610012897468	Toner Fax Xerox
6850001961846	Ton.Kodak.85/90
685000D009084	Ton. Monroe 955
685000D009085	Dev Monroe 995
685000D010003	Panafax UF 733
685000D010007	Toner Canon FX1
685000D010030	Toner HP 3/4SI
685000D010032	Toner Lasejet 4
685000D010036	Toner Xerox7024
685000D010040	Imaging/T M3090

685000D010041	HPInkjet 51626A
685000D010043	Pitney Bowes 9300
685000D010045	Xerox 7033.7032
685000D010046	Toner. Ilex 880
685000D010049	IBM T/4019/4029
685000D010052	Toner Cann 4050
685000D010056	Toner Kon 3035
685000D010060	Toner/Monroe912
685000D010061	Toner/MR/RL925X
685000D010062	Dev Monroe 932
685000D010063	Dev/Min 940DX
685000D010064	Toner Ricoh Blk
685000D010066	Toner Ricoh FT
685000D010069	TN Ricoh 7700
685000D010070	Desp/Ric\Savni
685000D010074	Dev Sharp 8500
685000D010081	Ink/Cart
685000D010090	Toner Canon
685000D010102	Toner. ILEX 885
685000D010103	Drum Unit 885
685000D010104	Dev/ILEX885.766
685000D010113	Cannon BC-02
685000D010115	Kodak Toner 95L
685000D010116	Sharp SF 235
685000D010121	Ton Monr 937DX
685000D010123	Dev Monroe 946
685000D010175	Xerox-4700.5775
685000D160012	Ton Konica 4145
685000D160019	Toner. HP 4MP
685000D160021	Toner St Murata
685000D160022	Drum-KT-Murata
685000D160023	Dev/Murata F80
685000D160027	Ton HP Blk 1200
685000D160028	Ton HP Cyn 1200
685000D160029	Ton HP Mag 1200
685000D160030	Ton HP YFI 1200
685000D160038	Toner Canon FX2
685000D160070	Panafax UG 3204
685000D160082	Toner QMS Cyan
685000D160094	Toner. ILEX 875
685000D160095	Toner Sav Ws Pk
685000D160096	Cleaning Pad Bt
685000D160115	HP Laser Cartri
685000D160116	Ton HP Cart Jet
685000D160117	HP Lsr5P/MP
685000D160119	Ton Cannon 2120

685000D160120	Ton Cannon N-6-
685000D160121	Ton Cannon 6050
685000D160125	Ton Monroe
685000D160133	Toner HP Blue
685000D160134	Toner HP Yellow
685000D160135	Toner HP Red
685000D160136	Toner HP Black
685000D160155	Textronix
685000D160156	Colo Stix Cyan
685000D160157	Color Stix Mage
685000D160158	Yellow Stick
685000D160160	HP Deskjet Wrtr
685000D160161	Toner Cannon 800
685000D160162	Cannon 800 Yellow
685000D160165	Cannon 800 Black
685000D160194	Toner HP 4V/4MV
685000D160195	T/HP Laserjet 5
685000D160201	Cannon 6060 NG3
685000D160207	Xerox 7042
685000D160210	Textronic Cyan
685000D160211	Textronic Magen
685000D160212	Textronic Yellow
685000D160213	Tektronix-Black
685000D160215	Black Ctrg
685000D160230	Lexmark 4039
685000D160232	Toner Cann BI70
685000D160233	Toner Cann BJ70
685000D646019	Xerox Dry Ink
685000D999638	Toner HP 2/3
685000D999640	T/ HP II/IIIP
685000D999646	Toner HP 2/3Rec
6850011645738	Xerox Fuser
6850011645739	Dry Ink Plus
6850012073900	Savin.Dev
6850012073937	Xerox Dev 1075
6850012381822	Toner Rico/5000
6850012503444	Xerox Dry Ink
6850012531260	Xerox Dev
6850012581306	Toner IBM 3820
6850012597154	Xerox Fuser
6850012597155	Xerox Dry Ink
6850012597156	Xerox Dev
6850012954342	Kodak Toner 225
6850013067486	Xerox 5034 Ton
6850013067488	Xerox DeveK5034
6850013082201	Sharp T8500

6850013329016	Toner Monroe
6850013415065	Dry Ink 5046
6850013417811	Toner Cannon
6850013432257	Dispfrsant
6850013534464	Toner Cannon300
6850013544323	Toner Okidada
6850013544503	Drum Kit Okidat
6850013740605	Xerox5775 Yellow
7530013352623	8-1/2x11 Copier
Paper	
7530013347817	8-1/2x14 Copier
Paper	
753000D009074	Fax Paper
753000D009111	Fax Paper
7540002223467	Messenger Envelope

If your toner requirement(s) is not currently stocked in the Toner Center, give us the ordering information and we will be glad to add it. The POCs ordering information are Thomas Terrell at (703) 697-7465 or Paula Hardiman at (703) 695-4344.

STOCK RECORD ITEMS

New Items

The following new Skillcraft items made by blind workers have been added to the Stock Record Catalog:

<u>NSN</u>	<u>Description</u>
6645014216904	Wall Clock, 12" Mahogany w/off-white dial
6645014216906 Walnut	Wall Clock, 12" w/white white dial
6645013425314	Wall Clock, 12" 24- hour, Bronze

6645013425313	Wall Clock, 8" 24-hour Bronze
6645014216909	Wall Clock, 6" Taupe
7520014234862	Pilot Explorer Roller Ball Refillable Pen
7510014255703	Pilot Refill Blk (12 per bx)
7510014255716	Pilot Refill Blue (12 per bx)
753000D160280	Paper Copier 1/2 case (5 reams, 8-1/2 x 11 recycled)
665000D160329	Glare Screen, fits 16" - 17" monitors
710500D160326	Grip-A-Strip fax and message holder
793000D160327	Cleaner, carpet
7430012429306	Swintec Typewriter, single element electric
7510014426973	Organizer carrier
846000D160330	Carrier

**DSS-W fully supports the DoD
Recycling Program**

8460014234958 Case, carrying, large

For ordering information, the POC is
Monjir Rajah at (703) 695-6773/5815.

• Discontinued Items

DSS-W has eliminated the following products due to low demands, outdated and/or obsolete technology. Requests received for these items will be cancelled back to the requesting activity. Complete descriptions can be found in the DARTS catalog.

Note: These items may be purchased with your IMPAC card.

NSN

7510-01-097-4506 Printwheel
7510-01-119-5626 Ribbon Ink
7510-01-160-4322 Ribbon Ink
7520-00-079-0285 Marker, Tube, Blk
7520-00-106-9840 Pen Set
7520-00-139-4900 Rack Distribution
7520-00-162-6178 Sharpener

Recycled Copier Paper

The Deputy Secretary of Defense has requested that GSA substitute recycled content copier paper for all DoD orders (see **Attachment 1**), as long as the price is equal to or less than comparable virgin fiber papers. Both recycled and virgin paper are available in our SSSC located at 3A3&4, Pentagon.

The DSS-W point of contact is Bob Chew at (703) 695-6773.

FYI

- The last FY-97 shopping day for sales and/or returns to your servicing SSSC

is close of business, Wednesday 24 September.

- See **Attachment II** for detailed information on reactivating your current SSSC account or establishing a new account.

Should you have questions concerning these or other SSSC matters, you may contact Patricia Cade, at (703) 695-4343, Pentagon, Room 1E700, e-mail address: NR31plc@pentagon-emh6.army.mil

DSS-W HomePage

The DSS-W World Wide Web HomePage can be accessed at:
<http://www.hqda.army.mil/dsswwweb/dssw.htm>

DON'T HOLD IT!!!

Please circulate the newsletter to everyone in your organization whose job involves the acquisition of good and services.
